ILLINOIS BUSINESS REVIEW

A MONTHLY SUMMARY OF BUSINESS CONDITIONS FOR ILLINOIS

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HIGHLIGHTS OF BUSINESS IN NOVEMBER

Business activity continued to slide in November, after the October decline which left personal income down $1 billion and the index of industrial production down 2 points from the month before to 142 (1947-49 = 100). As a partial remedy for this weakness, the Federal Reserve System cut the rediscount rate to 3 percent.

Steel production fell about 100,000 tons below October and nearly 20 percent below November, 1956. Lumber production, off seasonally from October, was nearly 10 percent under last November. Carloadings dropped about 15 percent from the comparable period in 1956 and experienced the lowest Thanksgiving Day week since 1934. Business loans by banks continued the irregular decline evident since mid-September, a period when they usually increase. Business failures and insured unemployment were well above November, 1956.

Production of automobiles was increased by a quarter of a million over October, when several producers were still down for model changeovers, and was nearly as high as November, 1956. However, it appears that sales were somewhat short of expectations, so that dealers' stocks moved up again. Paperboard production and electric power output continued to run above the corresponding period last year.

Retail Sales Steady

Preliminary estimates place November retail sales at $17.2 billion, down slightly from October after adjustment for seasonal factors and trading day differences but 3 percent above last year.

In November the seasonally adjusted index of department store sales rose to 126 (1947-49 = 100) from the year's low of 120 in October. However, November sales were still under the four months preceding October and 4 percent below the 131 reached last November.

FRB Lowers Discount Rate

The Board of Governors of the Federal Reserve System recognized the developing deflationary forces in the economy by permitting the Federal Reserve Banks to lower the discount rate from 3.5 percent to 3 percent in mid-November. Other indications that money market rates were easing as a result of declining demand for funds had appeared earlier.

No immediate increase in member bank borrowing occurred after the discount rate was lowered. Several weeks passed while banks generally awaited further action by the System to encourage lending activity. When open-market purchases of Treasury bills were increased in early December, member banks found it possible to meet demands for funds with less need for borrowing than before the discount rate was reduced.

Construction Continues High

Although November construction outlays of $4.1 billion were down $400 million from October, they set a record for the month, exceeding the previous November high reached last year by 4 percent. The month's expenditures brought the total for the first eleven months of the year to $43.6 billion and made almost certain a new record for the year of more than $47 billion. However, the rise over last year was more than offset by increased building costs, so physical volume was down.

Both private and public construction outlays set new November records, although private expenditures were off seasonally 4 percent from October and public spending was down 17 percent. Utilities, office buildings and warehouses, and hospital and institutional buildings were the principal elements in private construction's gain over last November. Private residential construction also continued strong, staying above $1 billion.

All major types of public construction, except residential, were down from October, but highway construction, public educational buildings, and conservation and development projects were at November highs.

Manufacturers' Sales, Orders Off

Sales by manufacturers showed another month-to-month decline in October, after seasonal adjustment, most of the $200 million drop occurring in the durable goods industries. The adjusted total of $28 billion was 3 percent below October, 1956.

New orders placed with manufacturers were also off from September after allowance for seasonal factors. The adjusted October total of $26.3 billion was about $300 million below the preceding month, with both durable and nondurable goods industries experiencing curtailments. Machine tool orders fell 3 percent from September and 58 percent from October a year ago.

As shipments exceeded new orders by $2.5 billion, unfilled orders in all manufacturing sank to $53.4 billion, 6 percent under September and 15 percent below the like month last year.

Inventories, on a seasonally adjusted basis, were down to $54.1 billion, about $100 million under September but still $2.2 billion above October a year ago.

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Will the Recession Snowball?

All major segments of the economy are currently declining — in terms of physical volume if not in dollar value. Gross private investment is down from the high reached in the latter part of 1956. Net foreign investment is falling from the high reached during the Suez crisis in the first quarter of 1957. Government purchases of goods and services were also down in the third quarter — only slightly in dollar terms, more definitely in real terms. Consumer expenditures, which had been holding the line against the decline in other sectors, joined the downward movement after August. The same is true of personal income, which also lags at the turning points.

The primary concern at this point is how far the recession will go. Will it be another minor dip in a period of general prosperity, like 1949 or 1954, or will it be a longer and deeper recession?

Prospects for the Next Few Months

It seems almost a certainty that the recession will continue for at least the next few months. Business outlays for new plant and equipment have made the turn, merely leveling off in current dollars but showing a definite downturn in real equivalents. The appearance of excess capacity in most industries lies at the root of this development. Declines in new orders for equipment and surveys of planned capital expenditures agree in predicting lower levels in 1958. On the most likely pattern of a steady decline through the year, a moderate decline of 7 percent on the average would imply a reduction of roughly 15 percent by the year-end. There are no offsets in sight to counteract a decline of this magnitude.

Nonfarm inventories were still being accumulated in the third quarter, but at a rate only about a third of the previous peak. It is a healthy development that accumulation has dwindled so greatly, but the more important fact is that the inventory cycle has not gone into its liquidating phase. Ratios of inventories to sales have been rising consistently through the year. Total holdings have to be brought back into line with sales. With business sales declining, there is every reason to expect at least moderate liquidation in the months ahead.

Home building has leveled off after a two-year setback. The most recent data show a small increase in dollar terms, but this reflects increasing costs rather than expanded activity. Last month's article indicated why no strong support can be expected from this segment.

The current decline in net foreign investment will probably continue through next spring at least. Foreigners will be making every effort to protect their gold and dollar reserves in the months ahead, and as long as our economy holds fairly steady near the prevailing high levels, their efforts will probably be successful. This item must therefore be counted another negative, though not a large one, through this fiscal year.

The projected cuts in Federal spending appear to be the dominant influence on government purchases in the months ahead. New programs probably will not be rising fast enough to turn the total up before next spring. Even the strongly rising state and local government series showed a slight decline on a constant price basis in the third quarter. The over-all decline in real government expenditures will not be large, and they may well turn up again next spring, but for the time being, there is no contribution here to stem the decline in other sectors.

With consumer income and all the other major sectors on the decline, there is no reason to think that consumption will again rise to provide an offset to declines elsewhere in the economy.

The Cumulation of Deflationary Forces

As a rule, any decline in over-all activity has repercussions on all the various forms of private expenditure, tending to induce movements in the same direction. The significance of the current recession lies in the fact that by next spring it will have continued for almost a year, allowing plenty of time for such reactions to take effect. As each takes effect, it reinforces the decline in the aggregate and induces still greater weakness in the others. This cumulative pattern is the basis for expecting the recession to continue through the last half of 1958.

The position of fixed business investment is highly predictable through the end of 1958. Capacity will be higher, and output demanded lower. The imbalance that is forcing a moderate decline now will be larger, and will tend to force a still larger decline in 1959. Such a decline is not readily reversible. It may be recalled that the 1954 decline in plant and equipment expenditures continued through the end of the year, after general recovery had gotten under way. In this instance, with such support lacking, it appears likely that the decline will accelerate beyond present expectations.

It is more difficult to judge the precise impact of inventory changes, but liquidation may be expected to increase in a series of irregular steps as long as the recession lasts. The criterion for inventory holdings is the flow of goods to final users; and the total flow of goods has been declining since the first quarter. Inventories should have been liquidated during this period. Instead they have shown a small increase. The only thing that could now prevent liquidation is so rapid a decline in demand that business would be forced to hold unwanted stocks. But this would make for a sharper decline later. The current reversal could hardly stop short of a rate of liquidation as high as last year's peak rate of accumulation, or something over $5 billion.

Residential construction may be even slower in again turning down. However, total building remains high in relation to the increase in basic family formation, tending to saturate the market. The recession will now tend to end the special stimulants derived from rising incomes, including upgrading, "undoubling," formation of separate households by single individuals, and excessive migration. Housing is in the declining phase of its own specific cycle

(Continued on page 8)

TOYS—A CHRISTMAS INDUSTRY

Although toys, particularly dolls, have been made since prehistoric times, the business of toymaking appeared only a century ago in Germany. Commercial toy production in America is a relatively young industry which has gained status through the use of mass-production techniques since the beginning of the twentieth century. Until then most toys were simply or crudely made, although many elaborate and often ingenious ones were fabricated by craftsmen for children of wealthier families.

At the outbreak of World War I, half of America's toys were imported from Germany. The remainder were made either in the home or by small factories. A wartime embargo on German merchandise brought revolutionary changes in the American toy industry. Output increased greatly, as did the number and size of toy factories. Constructive and educational toys, with which children could learn by doing, were added to older lines of novelties.

Scope of the Industry

Because the variety of toys is so great, considerable difficulty exists in determining the breadth of the toy industry. The *1954 Census of Manufactures* enumerates only those establishments primarily engaged in toy production. This unfortunately disregards the great number of toys manufactured as secondary products by factories in other industry classifications. The *1954 Census* places toymaking establishments in three major groups (dolls, children's vehicles, and games and toys), which collectively had 1,430 factories employing nearly 60,000 persons. These plants added more than $311 million in value by manufacture, an average of $218,000 per plant. Toy Manufacturers of the U.S.A., Inc., estimates, on a somewhat different basis, that the total number of toy plants approached 2,000 and total employment 70,000 in 1956.

Toy sales tripled in dollar volume between 1938 and 1956. Sales last year were estimated at $1.3 billion. Besides price increases, factors such as the increased birth rate and greater disposable income were responsible for this growth.

Most of our toys are produced and sold in this country, with only about 2 percent being exported or imported. The nation's 2,400 jobbers handle the largest shipments of toys; they provide an outlet for nearly 45 percent of the total. Most final sales to consumers are made by department stores, variety and chain stores, mail order houses, and supermarkets, in that order.

Problems and Trends

A persistent problem facing the toy manufacturer is that of seasonality, since more than 60 percent of all annual toy sales occur during Christmas time. Yet to operate economically, the toy factory must keep production fairly steady throughout the year. Because of the Christmas season, shipments rise to a pronounced peak during the late months of the year, thereby creating the problem of storage as well as the difficulty of financing. Since most toys are bulky, considerable warehouse space is needed. Manufacturers have lessened the storage pinch through the practice of "dating" — a means of inducing retailers and jobbers to accept paid shipments at a date months before the expected sale by offering greater discounts.

Toy manufacturers also have pushed toward establishing retail toy sales on a year-round basis through greater diversification of their product; that is, many now make toys such as inflatables (backyard pools, beach toys, and so on) and model kits of all kinds, which will be in demand at other seasons. The diversification move has been assisted by the postwar rise of supermarkets, where toys are continuously displayed before mothers and children, and exclusive toyshops, which have stimulated a trend toward year-round buying. However, even these stores encounter peaks during the Christmas period.

The pre-World War II trend toward giving toys utility has been further accentuated in the past decade. Constructive playthings, most of which are intricate and realistic, have grown in popularity. Today's toys also tend to reflect the age we live in, portraying atomic weapons, space missiles, and cars controlled by sound waves.

Toy Industry in Illinois

Although no precise statistics are available, Illinois appears to rank about fifth nationally in this industry. The *1954 Census of Manufactures* reveals that the State had a total of 81 factories primarily engaged in toy production. An estimated 20 to 30 plants produced toys as secondary items.

Of the three major toy categories, the State is most prominent in the manufacture of games and toys, with 73 factories. Only New York and California had more establishments in this field of toy manufacture. These 73 plants produced $17 million in value added by manufacture in 1954. The State also is the foremost producer of children's wagons, with the Radio Steel Company leading the nation's production. Although Illinois had six doll factories in 1954, the doll industry is small here; most are made in the Middle Atlantic states near the textile and cotton factories.

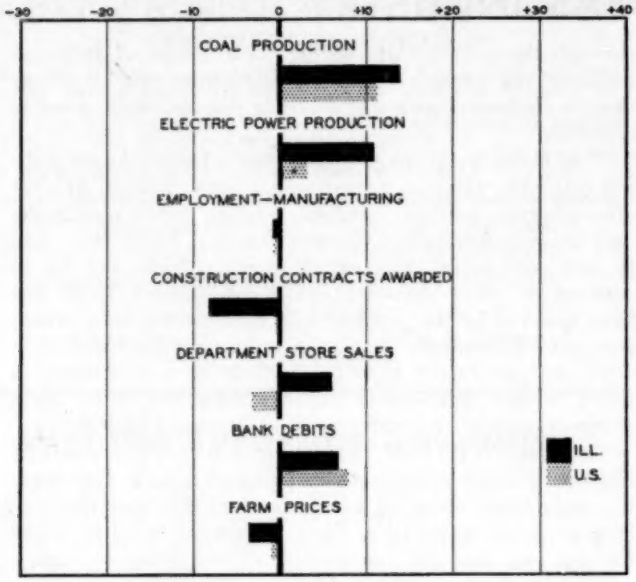
In toy retailing, Illinois was fourth last year with an $86.8 million volume, 6 percent of the national total. The State's annual toy sales in 1956, if averaged among its 2.7 million children under 15, would be about $32 per child. An estimated 25,000 stores, one-fourth of the State's total retail stores, carried some type of toys last year. The State also had 160 toy jobbers, or 7 percent of the nation's 2,400, in 1956.

Illinois is the home of the firm believed to be the oldest established toy works in America — the Dowst Manufacturing Company of Chicago, which began by casting miniature trinkets. Since then the industry has expanded and diversified in various parts of the State. Chicago has become the producer of a wide variety of playthings, including yo-yos, plastic and cast metal toys, wooden construction kits, paints and crayons, blocks, kites, books, and mechanical train sets. In addition, toy production is carried on in other cities, such as Decatur, Aurora, Freeport, Rockford, and Quincy.

STATISTICAL SUMMARY OF BUSINESS ACTIVITY

SELECTED INDICATORS

Percentage changes September, 1957, to October, 1957



ILLINOIS BUSINESS INDEXES

Item	October 1957 (1947-49 =100)	Percentage change from Sept. 1957	Percentage change from Oct. 1956
Electric power[1]	232.1	+10.8	+ 6.5
Coal production[2]	93.6	+14.0	− 0.4
Employment—manufacturing[3]	105.6	− 0.8	− 3.3
Weekly earnings—manufacturing[3]	156.8[a]	+ 1.7	+ 1.8
Dept. store sales in Chicago[4]	115.0[b]	− 8.0	0.0
Consumer prices in Chicago[5]	124.7	+ 0.3	+ 3.0
Construction contracts awarded[6]	282.4	− 8.2	n.a.
Bank debits[7]	190.5	+ 6.8	+ 6.6
Farm prices[8]	81.0	− 3.6	+ 2.5
Life insurance sales (ordinary)[9]	288.9	+10.6	+15.0
Petroleum production[10]	132.3	+ 7.5	+ 1.9

[1] Fed. Power Comm.; [2] Ill. Dept. of Mines; [3] Ill. Dept. of Labor; [4] Fed. Res. Bank, 7th Dist.; [5] U. S. Bur. of Labor Statistics; [6] F. W. Dodge Corp.; [7] Fed. Res. Bd.; [8] Ill. Crop Rpts.; [9] Life Ins. Agcy. Manag. Assn.; [10] Ill. Geol. Survey.

[a] September data; comparisons relate to August, 1957, and September, 1956. [b] Seasonally adjusted. n.a. Not available.

UNITED STATES MONTHLY INDEXES

Item	October 1957	Percentage change from Sept. 1957	Percentage change from Oct. 1956
	Annual rate in billion $		
Personal income[1]	345.6[a]	− 0.3	+ 3.4
Manufacturing[1]			
Sales	336.0[a]	− 0.7	− 2.4
Inventories	54.1[a, b]	− 0.2	+ 4.4
New construction activity[1]			
Private residential	18.4	− 1.9	+ 2.8
Private nonresidential	18.2	− 1.4	+ 6.5
Total public	16.8	− 4.2	+ 7.9
Foreign trade[1]			
Merchandise exports	18.5[c]	− 8.2	+ 0.5
Merchandise imports	12.1[c]	− 3.4	+ 1.2
Excess of exports	6.4[c]	−16.0	− 0.8
Consumer credit outstanding[2]			
Total credit	43.0[b]	+ 0.0	+ 7.0
Installment credit	33.2[b]	+ 0.3	+ 7.9
Business loans[3]	31.8[b]	− 2.0	+ 6.2
Cash farm income[3]	34.2[c]	+10.4	− 7.1
	Indexes (1947-49 =100)		
Industrial production[3]			
Combined index	142[a]	− 1.4	− 2.7
Durable manufactures	155[a]	− 2.5	− 4.9
Nondurable manufactures	132[a]	0.0	+ 0.8
Minerals	127[a]	− 0.8	− 3.1
Manufacturing employment[4]			
Production workers	103	− 0.3	− 4.1
Factory worker earnings[4]			
Average hours worked	99	− 1.2	− 2.9
Average hourly earnings	156	0.0	+ 3.0
Average weekly earnings	155	− 1.2	− 0.1
Construction contracts awarded[5]	289	− 0.4	+ 7.0
Department store sales[3]	120[a]	− 6.2	− 1.6
Consumer price index[4]	121	0.0	+ 2.9
Wholesale prices[4]			
All commodities	118	− 0.3	+ 1.8
Farm products	92	+ 0.5	+ 3.5
Foods	106	− 0.9	+ 1.8
Other	126	− 0.2	+ 1.7
Farm prices[3]			
Received by farmers	89	− 1.1	+ 3.5
Paid by farmers	118	0.0	+ 2.6
Parity ratio	81[d]	− 2.4	0.0

[1] U. S. Dept. of Commerce; [2] Federal Reserve Board; [3] U. S. Dept. of Agriculture; [4] U. S. Bureau of Labor Statistics; [5] F. W. Dodge Corp.

[a] Seasonally adjusted. [b] As of end of month. [c] Data are for September, 1957; comparisons relate to August, 1957, and September, 1956. [d] Based on official indexes, 1910-14 = 100.

UNITED STATES WEEKLY BUSINESS STATISTICS

Item	1957					1956
	Nov. 23	Nov. 16	Nov. 9	Nov. 2	Oct. 26	Nov. 24
Production:						
Bituminous coal (daily avg.)...thous. of short tons	1,553	1,600	1,567	1,637	1,647	1,814
Electric power by utilities...mil. of kw-hr	12,136	11,953	11,914	11,860	11,787	11,439
Motor vehicles (Wards)...number in thous.	177	165	159	147	127	136
Petroleum (daily avg.)...thous. bbl.	6,832	6,831	6,796	6,712	6,766	7,195
Steel...1947-49=100	113	115	116	118	119	143
Freight carloadings...thous. of cars	633	647	675	714	704	651
Department store sales...1947-49=100	155	143	135	122	127	149
Commodity prices, wholesale:						
All commodities...1947-49=100	117.8	117.8	117.5	117.5	117.7	115.9[a]
Other than farm products and foods...1947-49=100	125.6	125.6	125.6	125.6	125.6	124.2[a]
22 commodities...1947-49=100	84.9	84.1	84.4	84.4	84.5	93.0
Finance:						
Business loans...mil. of dol.	31,794	31,836	31,751	31,756	31,807	30,449
Failures, industrial and commercial...number	308	306	266	250	281	207

Source: *Survey of Current Business, Weekly Supplements.*

[a] Monthly index for November, 1956.

RECENT ECONOMIC CHANGES

Installment Debt Up

Consumers added $85 million to their installment debt during October of this year, raising total installment debt to $33.2 billion.

On a cumulative basis, installment debt expansion during the first ten months of 1957 amounted to about $1.7 billion, as compared with a $1.8 billion increase for the same period last year. After the rapid advance in 1955, which saw installment debt rise by $4.4 billion between January and the end of October, the gap between extensions and repayments was narrowed (see chart), and the rate of growth of total installment debt was slowed considerably.

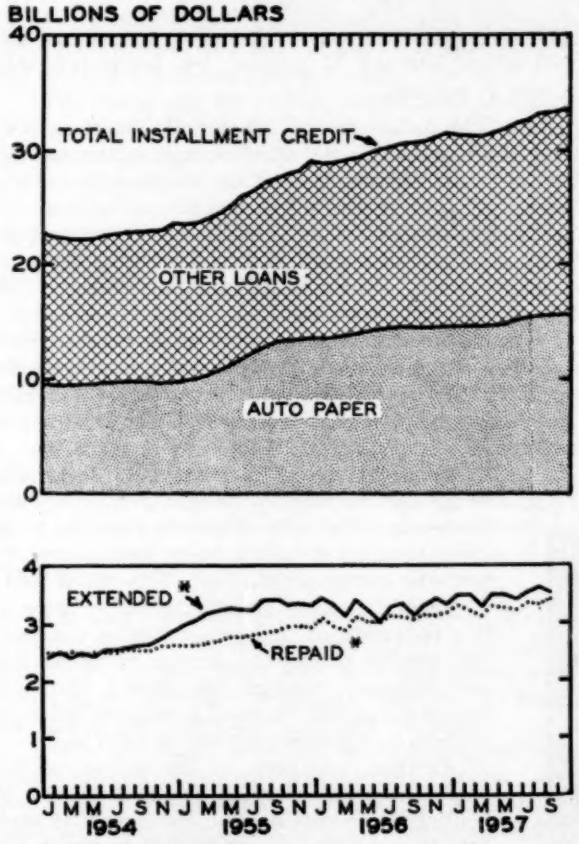
Total consumer credit reached $43 billion in October, an increase of $17 million from the previous month. Total credit includes, along with installment debt, single payment loans, charge accounts, and service credit. Compared with a year ago, total consumer credit was up more than $2.8 billion at the end of the month.

Industrial Production Down

The Federal Reserve Board reported that industrial production during October slipped to its lowest point in fifteen months. The October rate of 142 (1947-49 = 100) was 2 points below the previous month and 4 points under the rate for October, 1956.

The durable goods and minerals industries bore the brunt of the slowdown in production activity as each continued to decline, whereas activity in the nondurable goods industries was maintained at the September level.

INSTALLMENT CREDIT



* Seasonally adjusted.
Source: Federal Reserve Board.

Both durable manufactures and minerals were down 4 points from October, 1956, levels. The Board also noted that steel mill operations decreased contraseasonally during October, and in early November, ingot production was about 20 percent below a year ago.

Tool Demand Off

The machine tool industry continues to be faced with rapidly declining demand. Since December, 1955, when net new orders for machine tools reached a high of $151 million, demand has been moving consistently downward. Net new orders for September of this year dropped to $29 million and preliminary estimates for October indicate a further decline of almost a million. The $28 million of orders in October was the lowest level in more than seven years.

For the first ten months of 1957, net new orders amounted to about $473 million, approximately 42 percent below the level of $803 million booked in the same period last year. Shipments, on the other hand, have been running slightly ahead of last year as companies strove to work off backlogs and catch up on deliveries. As a result, the industry reduced its backlog from 6.2 months' to an estimated 3.4 months' production at the end of October.

Personal Income Falls

Personal income declined slightly from August to September, the first decrease since January, 1956. It continued to slip in October, falling another billion to a seasonally adjusted annual rate of $345.5 billion.

The latest decline was accounted for by a $1.5 billion loss in wage and salary payments which was only partially offset by a $500 million rise in government transfer payments. The change in wage and salary payments reflected reductions in employment and hours worked per week, as hourly earnings remained unchanged. More than half of the October rise in government transfer payments came from an increase in unemployment insurance benefits.

For the first ten months of 1957, personal income was at an annual rate of $342.5 billion, $17.5 billion or 5.5 percent higher than in the corresponding period last year.

Farm Prices Rise

The Department of Agriculture reported that the index of prices received by farmers moved up 2 points during November. This advance followed a 5-point decrease in the index during the previous month. The index of 242 (1910-14 = 100) in mid-November was 8 points higher than last year but was well below the record of 313 registered early in 1951. Most of the advance during the month resulted from higher average prices for meat animals, vegetables, poultry and eggs.

A general rise in the retail price level, however, pushed the index of prices paid by farmers to a new high of 298 percent of the 1910-14 average and left their overall purchasing power unchanged. The 298 record is 2 points above the mid-October index and 9 points, or 3 percent, above the year-ago level. The advance during November ended a seven-month period during which the index of prices paid by farmers remained at, or only slightly below, the previous high of 296.

With both prices paid and prices received advancing at about the same rate, the parity ratio held steady at 81, unchanged from both the mid-October and the year-ago level.

PROGRESS IN REDUCING FARM SURPLUSES

L. F. STICE, Professor of Agricultural Marketing

As a matter for public concern, few issues have ranked ahead of the "farm surplus problem." Public interest plus pressures by farmers long ago were translated into specific corrective action by the government. In recent years nearly every Congress has passed legislation dealing with the problem. Excluding national security, one of the three largest items in our Federal budget is that for agriculture.

The terms "farm surpluses" and "the farm surplus problem" are often used interchangeably to describe two different problems. They may refer to the stocks of government-owned farm commodities which have accumulated under the price support program or to a basic imbalance between production and utilization of farm products.

The imbalance between agricultural production and utilization is an economic problem with its roots in technological advances. Government-owned stocks are a socio-political problem rooted in the sharp farm price break of the 1920's and the business recession of the 1930's. It will not be misleading to refer to the one as an economic surplus and the other as a government surplus.

The Government Surplus

On September 30, 1957, the United States Department of Agriculture's inventory of farm products was valued at $5.2 billion, and another $1.5 billion was loaned on products which farmers still owned. In addition, the department owned $183 million worth of strategic materials, largely metals, which had been acquired from foreign countries in exchange for surplus farm commodities.

Twenty-three products were in the department's farm inventory, but three crops — wheat, corn, and cotton — made up 85 percent of the total value. These constitute the part of the "government surplus" which causes the most concern. The other twenty products also present economic and political problems, but government stocks are smaller, so that these problems are much less difficult to solve. Chart 1 shows carryover stocks of wheat, cotton, and corn from 1952 through 1958. Data for 1958 are the department's forecasts. Increases over 1952 may be considered surpluses, as carryover stocks in that year were about normal.

Wheat and cotton surpluses have been reduced during the past two years for identical reasons: United States crops have been small and exports unusually large.

Wheat. Even with the reduction of the past two years, carryover stocks of wheat next July 1 (now estimated at about 850 million bushels) will almost equal a normal year's use. Last season (1956-57) disappearance of United States wheat was estimated to be 1,134 million bushels, and the forecast for the current marketing year is 1,000 million bushels. But in the four prior years, disappearance ranged from 850 million to 978 million bushels.

The use of wheat in the United States for food, seed, and industrial purposes is very constant at about 550 million bushels. The remainder of our production is exported, fed to livestock, or, as in recent years, delivered to the government. Government stocks must eventually come back into the market for one of the other uses.

Last season's large exports of 547 million bushels were made possible by the small European crop. The Department of Agriculture's tentative estimate of exports for the current season is 400 million bushels. Future prospects are for some further reduction in exports to about 250 to 350 million bushels annually. Canada must eventually be more competitive in the world wheat market and at our expense. Hence, the prospects are that our annual market potential for wheat is 850 million to 950 million bushels. Any significant increase is likely to come in livestock feeding, and at lower prices.

This is not a bright picture. It becomes more gloomy when we realize that the 1957 crop of 927 million bushels was produced on the fewest wheat acres since 1904 with the exception of 1934, which was a year of extreme drought. Between 1953 and 1957 United States farmers reduced wheat acreage 37 percent, but production was down only 21 percent.

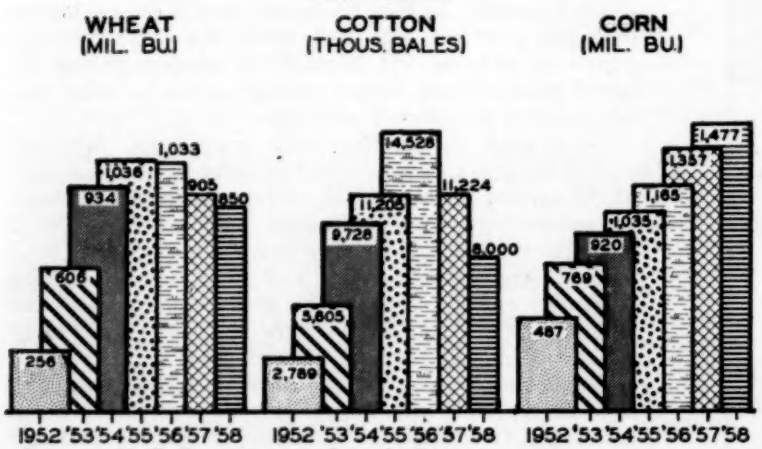
Cotton. The cotton surplus concerns Midwest agriculture for two reasons. To our disadvantage cotton acreage controls have diverted several million acres of land to the production of feed grains which compete with corn. To our advantage, smaller cotton production has lessened the competition of cottonseed oil and meal with soybean oil and meal. On balance these shifts have been to the disadvantage of Midwest agriculture.

Since 1956 substantial progress has been made in reducing the cotton surplus. After the 1956 harvest, a record carryover of 14.5 million bales plus an average crop gave us a cotton supply of 27 million bales. This was a two-year supply at the rate the world was using our cotton. By August, 1958, United States stocks of old cotton are expected to be down to about 8 million bales, nearly a year's domestic consumption.

Larger exports played the major role in this reduction of our cotton stocks. Competitive pricing along with lenient terms of sale and financing enabled the United States to increase exports from 2.2 million bales in 1955-56 to 7.6 million bales in 1956-57.

Further reductions in the cotton surplus may be accomplished in the near future by holding down production. The potential market for our cotton is expected to be about 14.5 million bales. Exports are expected to decline

CHART 1. STOCKS OF WHEAT, COTTON, AND CORN



Source: U. S. Department of Agriculture.

to about 5.5 million bales, and domestic consumption to hold at about 9 million bales. At this rate of use, and with production at the 1957 level of 11 to 12 million bales, the cotton surplus would soon be corrected. But the small 1957 crop was due largely to the diversion of cotton land to the soil bank program. That crop was raised on about 14 million acres, which was the smallest acreage since 1878 and well below the ten-year average of 22 million acres. Even if the cotton acreage stays low, rising yields are likely to increase production.

Corn. Although sounder basically than many crops, corn is now in the most difficult position of all. Each year since 1952, stocks of old corn have been increasing until they now equal a two-year market supply.

On October 1, 1957, carryover stocks of old corn were estimated to be 1,357 million bushels. Annual use of corn is approximately 3,200 million bushels but about 75 percent is fed on the farms where it is grown. Only about 660 million bushels is sold into the commercial market each year. This 660 million bushels is divided roughly as follows: processing for food, 225 million bushels; alcohol, 25 million bushels; seed, 12 million bushels; exports, about 100 million bushels; and manufactured livestock feeds, 300 million bushels.

What are the prospects for reducing government stocks of corn? Will it be through increased consumption or smaller production? A significant expansion of the non-farm market for corn is not imminent. The use of corn for food and seed is very constant. To expand the use of corn for industrial alcohol would require a constant supply of very cheap corn and would meet with stiff competition from the petroleum industry.

Exports increased to about 160 million bushels in 1956-57 because of intensive sales efforts by our government. Further expansion in exports is not to be expected, as most nations of the world cannot afford to consume the products of their own land in the form of livestock products, much less to buy livestock feed.

The third, and by far the largest, outlet for corn is livestock and poultry feeding. Including the corn in manufactured feeds, this market annually accounts for 85 to 90 percent of the total disappearance, and in 1956-57 totaled 2,829 million bushels. This is a high level of feeding and yet, at this rate, total disappearance of corn is about 100 million bushels below the 1957 production of 3,333 million bushels. This imbalance would not be insurmountable if we did not have increasing supplies of other feed grains and if consumer purchasing power for livestock products stayed high. But 1957 production of other feed grains was up 40 percent from 1956, and there are growing signs of lower consumer incomes ahead.

It seems inevitable, therefore, that in the immediate future farmers should cut back the production of corn and other feed grains. Before discussing this point further, let us examine the problem of our economic surplus.

The Economic Surplus

Excessive productive capacity is believed by many to be agriculture's basic problem. That is, farmers are geared to produce more than they can sell at profitable prices. This imbalance between production and demand is thought to have developed for two reasons:

First, the rapid adoption of technological improvements has greatly increased output per man, per acre, and per animal. To illustrate, with less land in crops in 1957 than in 1940, crop production is 25 percent higher, and livestock production is up 40 percent with breeding units only 8 percent higher. Productivity per man-hour more than doubled during this period.

The shift from horsepower to tractor power is the second major cause of increased agricultural production. The effect was twofold. Tractor power is more efficient, and the cutback in horses and mules released land for the production of food and fiber. For example, 33 million fewer acres of cropland were required to feed horses and mules in 1955 than in 1940. This is roughly equal to the 1957 harvested acreage of oats or winter wheat.

The growth in demand for farm products is popularly measured by the nation's population growth, with some recognition for the influence of changes in per capita incomes. The justification for this reasoning is that exports take only 8 percent of our annual farm output.

The current imbalance between farm output and use is often illustrated by citing the fact that between 1940 and 1955 farm output increased 35 percent whereas population increased only 25 percent (see Chart 2).

How much is agricultural production out of balance? This question is difficult to answer.

The relative increases in farm output and population is a questionable yardstick. Population growth was well ahead of farm output in the 1920's and 1930's and yet agriculture was not prosperous.

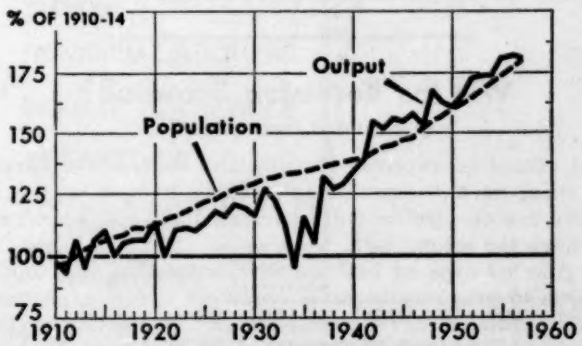
To assume that quantities of farm products acquired by the government measures the imbalance is fallacious. The price support programs under which these stocks were acquired has, in itself, distorted agriculture's production and distribution patterns so that an accurate appraisal of the problem is almost impossible. Artificially high prices have been stimulants to technology, to substitutions, to the intensive use of production inputs, and to higher capital investments; and they have curbed the expansion of markets and the flow of products into use. More recently, as government surplus disposal programs were intensified, markets for farm products, especially export markets, have been artificially stimulated.

We are unable to determine agriculture's true state of health because of the medicine the patient has been taking. What we do know, however, is that the government's price and income support program has placed some of the economic surplus problems of other areas on the shoulders of the Midwest farmers.

The Corn Belt Dilemma

As implied earlier, the Corn Belt's basic prospects after World War II were not bad. Between the early 1930's and the end of World War II, corn acreage nationally was reduced from about 105 million to 85 million

CHART 2. POPULATION AND FARM OUTPUT



Sources: Bureau of the Census and U. S. Department of Agriculture.

acres. At the same time, the Corn Belt developed a second profitable crop, soybeans. Fortunately, the demand for each of these crops has also been strong owing to a growing export market for soybeans and to high consumer incomes with which to buy livestock products.

But compulsory acreage controls on wheat, cotton, rice, and tobacco have resulted in sharp increases in acres of barley, sorghum grains, and soybeans. Between 1952 and 1957 barley increased 6.7 million acres; sorghum grains, 12.7 million acres; and soybeans, 7.3 million acres. Oats acreage declined 1.2 million acres. The net increase for all these crops was 25.5 million acres.

At the same time, acreage of corn declined 8.6 million, but this cutback did not result in smaller corn production. The net result was a 16 percent increase in total production of all feed grains.

We now face some very difficult decisions. To increase livestock feeding enough to balance feed grain production with use is almost certain to result in unprofitable livestock prices.

With a moderate increase in livestock feeding, some cutbacks in feed grain production will be necessary in order to stop the build-up of the corn-feed grain surplus. To reduce existing government stocks will require even greater cutbacks in feed grain production. The consequence of either adjustment would be lower farm incomes, unless there are unexpected developments.

At present, the government through its soil bank program is attempting to remove cropland from production through rental payments. These payments were meant to partially replace the income lost through production cutbacks, but to date, the major accomplishment of this program has been to boost farm incomes. In 1958, cropland must be reduced before payments can be earned. The future success of this program as a production control measure is dependent upon sizable government appropriations and widespread farmer participation.

What progress are we making in solving the farm problem? There is much evidence that since the end of World War II the medicine given agriculture has been more damaging than the illness of excess capacity. Certainly the patient should not have been taking the same medicine that he took in the depression thirties. The problem then was lack of customers with money. The present surpluses developed when customers were never more numerous nor more prosperous.

Granted that population growth offers only a dim and forlorn hope to farmers on uneconomic units or to those with heavy debts to pay and families to raise. Government programs which accumulate surpluses and permanently restrict output offer less. The increasing recognition of this fact among farmers and their leaders is progress toward solving the farm surplus problem.

Will the Recession Snowball?

(Continued from page 2)

and cannot be expected to withstand the adverse effects of rising unemployment. By the middle of next year, it is likely that the decline will be resumed and will accelerate through the second half.

Another type of business investment that will topple under adverse conditions is consumer credit expansion. This expansion of "business-owned" inventories in the hands of consumers is governed by the same kind of stock-flow relationships as the inventory cycle proper. During recent months it had the benefit of high auto sales, as heavy inventories of 1957 models were being closed out. It also helped stimulate those sales, since over half of the cars purchased on credit were financed by 36-months' paper. All the motor companies were pushing sales with such devices as special discounts and contests, and the threat of rising prices was used emphatically by dealers to dispose of the old models. Now the higher prices are effective, and there has been an additional adverse development in the decline of the stock market. In addition, rising unemployment is undermining the base on which credit expansion depends. Hence, the prospective reversal in consumer credit could contribute almost as much deflationary effect as the inventory reversal.

What this all adds up to is a strong probability that a true conjuncture of deflationary forces will dominate by the middle of next year, with the consequence that there will be no early stopping point for the recession. Once all these forms of investment are on the slide, the economy will be in the declining phase of a great postwar cycle, similar to those that have followed previous wars. The required adjustments in rates of fixed investment will be large, running to perhaps 50 percent or more; and the adjustments will be long drawn out, running on through 1959. It is hard to see the ultimate extent of the decline, but for a time, any tendencies toward recovery will probably be abortive.

What Will the Government Do?

There is nothing to indicate that Washington views this situation realistically. In the present period of budget making, diverse objectives such as national security, economy, and full employment are jumbled together in hopeless confusion. Some say that tax cuts are now impossible and that we must sacrifice to bolster defense; but in the next breath they assert that the recession is making productive resources idle. Top officials seem to believe that pretending everything is all right will really make it so.

The hysteria resulting from the sputniks is not helpful. One of its main products seems to be a wave of wishful thinking. A senator suggests that we should shoot the sputniks down; if our ability to do so is any more than a daydream, it is not apparent to anyone else. In the field of economics, the wishful thinking takes the form of a hope that an expanded missiles program will pull us out of the hole. The additions held to be necessary for this program run to an annual rate of $2 billion by the end of fiscal 1959. This is half of 1 percent of the gross national product; it is hardly more than sufficient to offset the programmed cutbacks in other military spending.

At the moment, the economy is down several billion in real terms, and the only thing being done is a moderate easing of the Federal Reserve's tight money policy. When the magnitude of the problem is finally clear, more effective measures will be considered. By that time, activity will probably be down about $15 billion from the third quarter high. By the time new programs of several billion can be put into effect, say by the end of 1958, it will probably be down more than $25 billion, and unemployment will exceed 5 million.

Moreover, any new Federal programs will then be partially offset by cuts in state and local programs. Optimists who are now projecting the latter ever upward will be shocked to find how quickly "the trend" can change when state and local revenues are curtailed.

If this appraisal of prospects presents a challenge, the challenge will have to be met in real terms. What should be apparent to everyone is that waving the flag will not do the job. VLB

BUSINESS BRIEFS

PUBLICATIONS AND DEVELOPMENTS OF BUSINESS INTEREST

Manufactured Food Products

The production of manufactured food products in the United States was about 13 percent larger in 1956 than the average during 1947-49 (see table). This aggregate gain in the output of manufactured food reflects widely varying rates of change for major product groups as well as for individual products. Major food category changes ranged from a 2 percent decline for bakery products to gains of 33 percent for meat products and canned and frozen foods. An even wider variation was recorded between the low and high indexes for individual products — from a 16 percent drop for wheat flour to a 51 percent jump for beef.

Industry	1956 (1947-49 = 100)
Food manufactures (total)	113
Meat products	133
Dairy products	110
Canned and frozen foods	133
Grain-mill products	101
Bakery products	98
Sugar	122
Confectionery	107
Vegetable oils	132

Factors that contributed to the growth in output of manufactured food products were population growth, a movement of people from farm to nonfarm homes, and technological developments which resulted in new and improved convenience products. The increase in the number of women working outside the home has been a factor in the rapid acceptance of convenience foods by consumers.

Winter Aids

Driveways and garages can be protected against salt pitting with a concrete sealer, Archer Slab-Kote. Produced by the Archer-Daniels-Midland Company, this sealer is most effective on concrete that is less than four years old. During this period, concrete is most susceptible to pitting caused by the combination of salt, freezes, and thaws. The sealer price is $2.98 per gallon.

Winter sun porches and greenhouses are now available to the do-it-yourself homeowner. Sisal Glaze, a semi-rigid plastic sheet in 36-inch and 42-inch rolls, can be cut with scissors and stapled with a hand stapler to a wooden frame. Tests on housings covered with this clear plastic indicated that internal temperatures may rise to 80 or 90 degrees Fahrenheit when outside temperatures are below freezing. The manufacturer, American Sisalkraft Corporation, of Attleboro, Massachusetts, suggested that the material may also be used for poultry houses, warehouses, and storm windows.

Photocopiers

A portable photocopier, Contura Portable, is now being marketed by the F. G. Ludwig Company, 103 Coulter Street, Old Saybrook, Connecticut. Reproductions of material in bound volumes can be made by placing the machine face down on the book. The plastic air cushion follows the contours of the page when in this position. Single sheets can be handled with a photocopier in an upright position. According to the manufacturer, the machine will copy colored inks, crayon, pencil, and spirit duplicator. Operating costs are approximately 11 cents per page; the copiers cost $137.50 or more.

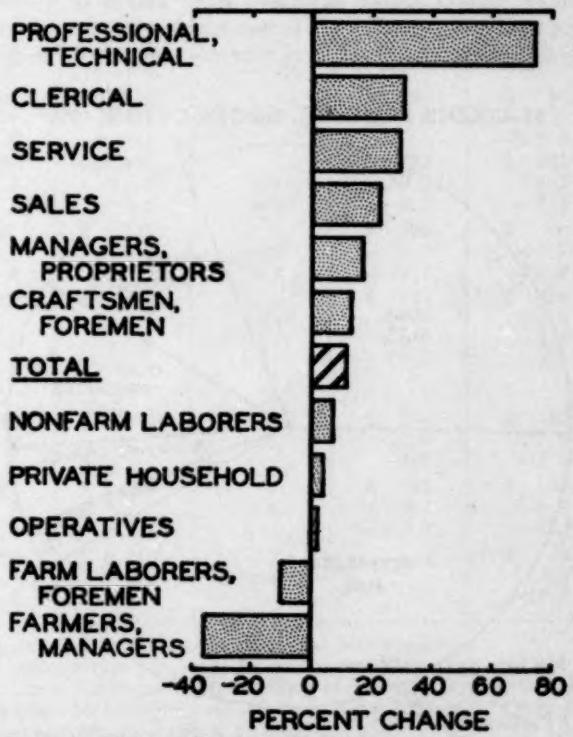
Another photocopy machine capable of reproducing material from books is the Copease Duplex Book Copier. The sponge rubber cushioned head adjusts to the book to help provide uniform contact and even pressure. The exposer and printer are combined into a single unit, and the machine can be used under nearly all lighting conditions. The maximum size of copy work that can be handled is 8½ inches by 14 inches. Further information is available from the Copease Corporation, 425 Park Avenue, New York 22, New York.

Occupational Changes

The make-up of the nation's labor force has been sharply altered during the past decade. In addition to an increase of more than 7 million persons to the work force total, there have been marked shifts among the various components. As can be seen in the chart, the number of professional and technical employees has increased by three-fourths during the postwar period. Currently about 9 percent of all jobs are in this category as compared with 6 percent in 1947. The white-collar group as a whole (professional and technical, clerical, sales, and managerial personnel) also increased in relative importance, advancing from slightly more than one-third to two-fifths of the total labor force.

All groups, with the exception of the farm segment, gained in numbers. Over the past ten years, farm employment has declined by nearly 2.5 million. More than 16 percent of the total number of employed workers in 1947 were farm employees; in 1957 this segment has dropped to 11 percent. An increasing number of farmers have taken second jobs outside the field of agriculture during this period.

CHANGES IN EMPLOYMENT, 1947 TO 1957



Source: Federal Reserve Board.

LOCAL ILLINOIS DEVELOPMENTS

Seasonal factors dominated business movements in Illinois during October. Advances of 7 percent or more were recorded in bank debits, electric power consumption, coal and petroleum production, and life insurance sales. On the other hand, construction in the State and seasonally adjusted department store sales in Chicago declined 8 percent.

Comparisons with October, 1956, showed increased activity in all indicators with the exception of slight declines in coal production and manufacturing employment. Life insurance sales gained 15 percent; bank debits in selected Illinois cities and electric power consumption advanced more than 6 percent.

Road Roundup

The Illinois road construction program for 1958 will hit an all-time high of $270 million, according to plans announced by Governor Stratton. Almost 70 percent of this sum is to be provided by Federal funds and the remainder by State and local sources. Of the total, $161 million has been allocated for the interstate highway program, which includes 161 miles of road improvements, 51 bridges, 231 grade separations, and the acquisition of more than 500 miles of highway right of way. The remaining $109 million will be used for similar improvements on the regular State primary networks.

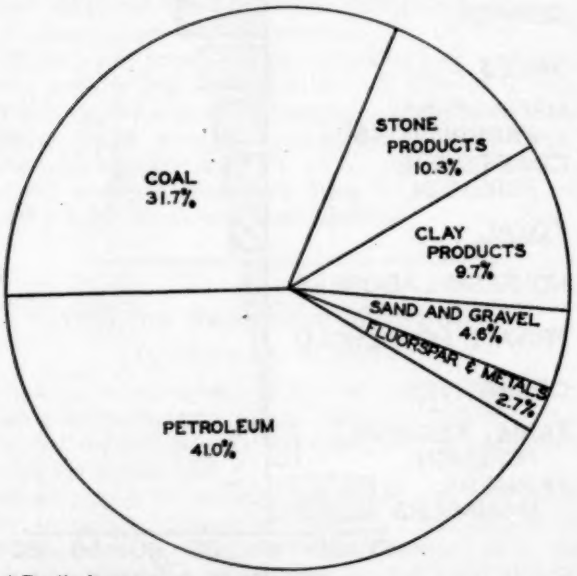
In 1957, the road construction program called for total expenditures of $220 million. The value of contracts awarded during the year amounted to $142 million. Construction work included about 840 miles of road improvements, nearly 100 new bridges, the widening of 30 bridges, and 15 grade separations.

Water Reserves

Illinois, on the whole, has adequate water supplies, but the water is not equally available in all areas. Consequently, serious water shortages have arisen in various parts of the State. In order to combat this drought threat, two Illinois communities have recently completed the construction of dam and reservoir systems. Six miles northwest of Effingham, across Blue Point Creek, is the new 2,200-foot-long dam that was begun in September, 1956. About 540 feet thick at the bottom and 30 feet at the top, this $1.2 million barrier is designed to impound 4.5 billion gallons of water. A controlled flow of lake water will run through the Blue Point channel into the Little Wabash River. From a pool in this river, the water will be pumped into the existing municipal system. The reservoir, when full, will occupy about one-third of the 2,300 acres in the project. Along the northern shoreline will be a beach and recreational facilities. The southern part of the 27 miles of shoreline has been designated for homes.

Near the community of Gillespie on Rocky Branch Creek is the site of another dam designed to augment present water supplies. This dam and 220-acre reservoir will cost $300,000 and will impound about 1.2 billion gallons of water. In addition to Gillespie, this water system will serve the communities of East Gillespie, Mount Clare, Wilsonville, Sawyerville, and Benld.

ILLINOIS MINERAL PRODUCTION, 1956*



* Preliminary.
Source: Illinois State Geological Survey, *Mineral Production in Illinois in 1956.*

Industrial Developments

A uranium processing plant, scheduled to begin operation in early 1959, will be located near Metropolis, Illinois. This $11.5 million plant, to be located on a 600-acre tract, is owned by the General Chemical Division of the Allied Chemical and Dye Corporation. The plant will make uranium hexafluoride for the Atomic Energy Commission.

The Pittsburgh Plate Glass Company has scheduled the construction of a plant on an 80-acre site in Macon County west of Mount Zion. This $10 million project is to be completed in late 1958. The main manufacturing structure will be a five-story building; other plant facilities will include a clay house, kiln, and structures for water treatment, storage, and sewage disposal.

Mineral Production in Illinois

In 1956, the total value of the minerals produced in Illinois reached an all-time high of $607 million, a gain of 6 percent over the previous high in 1955. This new peak was more than twice the value of mineral output in 1940. The two leading minerals, oil and coal, contributed nearly three-fourths — about $249 and $192 million respectively — of the State total (see chart).

Petroleum production in Illinois has staged a comeback in recent years. Since 1951 secondary recovery practices have provided oil sources that have more than offset the natural decline from the original drillings. Illinois ranked eighth in the nation and led all states lying completely east of the Mississippi River in oil production in 1956, having produced 45 percent of all oil coming from these states.

Coal has fallen to second place in Illinois, although it recovered somewhat in 1955 and 1956. The State coal industry was fourth in the nation and contributed one-tenth of the national total.

Illinois is the nation's leading producer of fluorspar, a mineral used in the chemical, ceramics, and steel industries. The production of this mineral in 1956 was valued at $8.5 million.

Nearly $150 million was contributed by the State's other mineral products — stone, clay, sand and gravel. Continuation of residential and commercial construction at a rapid pace, in addition to the highway building program, sustained the demand for sand, gravel, and stone, and clay products during 1956.

COMPARATIVE ECONOMIC DATA FOR SELECTED ILLINOIS CITIES

October, 1957

		Building Permits[1] (000)	Electric Power Consumption[2] (000 kwh)	Estimated Retail Sales[3] (000)	Department Store Sales[4]	Bank Debits[4] (000,000)	Postal Receipts[5] (000)
ILLINOIS		**$27,830**[a]	**1,104,962**[a]	**$563,458**[a]		**$16,651**[a]	**$14,977**[a]
Percentage change from	Sept., 1957	−23.7	−5.2	+2.9	+6	+6.8	+8.1
	Oct., 1956	−10.3	+4.0	+3.1	0	+6.6	+0.4
NORTHERN ILLINOIS							
Chicago		**$18,892**	**833,084**	**$402,139**		**$15,166**	**$13,188**
Percentage change from	Sept., 1957	−20.8	−5.0	+3.3	+6	+6.4	+7.6
	Oct., 1956	+4.5	+3.4	+1.4	+1	+7.1	+2.0
Aurora		**$ 627**	n.a.	**$ 8,340**		**$ 68**	**$ 131**
Percentage change from	Sept., 1957	−39.7		−1.5	+14	+3.9	+0.2
	Oct., 1956	+48.9		+1.3	−2	+3.4	+7.9
Elgin		**$ 269**	n.a.	**$ 6,374**		**$ 44**	**$ 109**
Percentage change from	Sept., 1957	−2.9		+1.3	+5	+6.4	+73.5
	Oct., 1956	−45.5		+3.8	0	+8.4	+5.0
Joliet		**$1,662**	n.a.	**$12,463**		**$ 85**	**$ 94**
Percentage change from	Sept., 1957	−22.4		+3.4	−7	+10.9	+13.5
	Oct., 1956	+331.7		+5.3	−1	+5.7	+5.8
Kankakee		**$ 692**	n.a.	**$ 5,475**		n.a.	**$ 43**
Percentage change from	Sept., 1957	+444.9		+1.0	n.a.		+1.9
	Oct., 1956	+68.8		+14.1			−2.0
Rock Island-Moline		**$ 565**	**23,699**	**$10,428**		**$ 108**[b]	**$ 144**
Percentage change from	Sept., 1957	−14.3	−2.0	−5.0	n.a.	+10.1	+26.2
	Oct., 1956	−53.9	+43.6	+7.1		+6.0	+0.4
Rockford		**$1,680**	**42,149**[c]	**$19,730**		**$ 190**	**$ 194**
Percentage change from	Sept., 1957	−8.9	−5.1	+1.7	−2	+10.0	+7.6
	Oct., 1956	−5.0	−4.2	+9.9	−7	+6.0	+0.2
CENTRAL ILLINOIS							
Bloomington		**$ 109**	**7,755**	**$ 5,814**		**$ 72**	**$ 87**
Percentage change from	Sept., 1957	−63.5	−1.6	+1.6	n.a.	+11.6	+19.5
	Oct., 1956	−43.8	−2.0	+8.7		+9.7	−9.9
Champaign-Urbana		**$ 317**	**10,725**	**$ 8,629**		**$ 85**	**$ 99**
Percentage change from	Sept., 1957	−52.8	−4.1	+10.7	n.a.	+28.7	+6.4
	Oct., 1956	−21.3	+2.7	+8.8		+8.2	−7.6
Danville		**$ 108**	**11,757**	**$ 6,827**		**$ 53**	**$ 66**
Percentage change from	Sept., 1957	−53.8	−7.4	+3.0	+3	+13.7	+19.7
	Oct., 1956	−69.0	+9.3	+7.2	−9	−11.8	+1.4
Decatur		**$ 795**	**35,491**	**$13,136**		**$ 146**	**$ 107**
Percentage change from	Sept., 1957	−8.8	+3.9	+5.7	+7[c]	+26.6	+9.4
	Oct., 1956	−19.1	+11.2	+11.0	−3[c]	−4.7	−1.4
Galesburg		**$ 327**	**8,194**	**$ 5,034**		n.a.	**$ 36**
Percentage change from	Sept., 1957	−48.3	−9.4	+16.9	n.a.		−3.6
	Oct., 1956	+78.7	−0.4	+14.1			+6.3
Peoria		**$ 331**	**50,636**[c]	**$18,967**		**$ 252**	**$ 238**
Percentage change from	Sept., 1957	−76.0	−11.2	+2.0	+5[c]	+10.0	+3.3
	Oct., 1956	−64.9	−1.1	+6.5	−9[c]	−0.2	−2.4
Quincy		**$ 239**	**11,981**	**$ 5,322**		**$ 50**	**$ 60**
Percentage change from	Sept., 1957	−61.7	−7.2	+0.7	+18	+18.7	−1.7
	Oct., 1956	−60.9	+33.2	+10.3	−1	+14.1	+8.2
Springfield		**$ 600**	**34,322**[c]	**$14,673**		**$ 126**	**$ 229**
Percentage change from	Sept., 1957	−77.1	−0.5	−4.5	+11[c]	+1.6	+7.0
	Oct., 1956	−79.1	+5.8	+8.7	+5[c]	−0.3	−5.5
SOUTHERN ILLINOIS							
East St. Louis		**$ 199**	**12,638**	**$ 9,644**		**$ 166**	**$ 80**
Percentage change from	Sept., 1957	+17.1	−13.9	+1.2	n.a.	+15.0	+52.9
	Oct., 1956	−83.5	+0.2	+2.3		−1.6	−3.7
Alton		**$ 299**	**14,377**	**$ 5,245**		**$ 39**	**$ 33**
Percentage change from	Sept., 1957	+79.0	−3.3	+3.5	n.a.	−4.7	+20.4
	Oct., 1956	−12.1	−4.6	+11.1		−3.4	+7.3
Belleville		**$ 119**	**8,155**	**$ 5,218**		n.a.	**$ 39**
Percentage change from	Sept., 1957	−19.6	−23.4	+6.6	n.a.		+13.0
	Oct., 1956	−20.7	+19.8	+4.5			−17.8

[a] Total for cities listed. [b] Includes East Moline. [c] Includes immediately surrounding territory. n.a. Not available.

Sources: [1] U. S. Bureau of Labor Statistics. Data include Federal construction projects. [2] Local power companies. [3] Data for September, 1957. Comparisons relate to August, 1957, and September, 1956. [4] Research Departments of Federal Reserve Banks in Seventh (Chicago) and Eighth (St. Louis) Districts. Department store sales percentages rounded by original sources. [5] Local post office reports. Four-week accounting periods ending October 18, 1957, and October 19, 1956.

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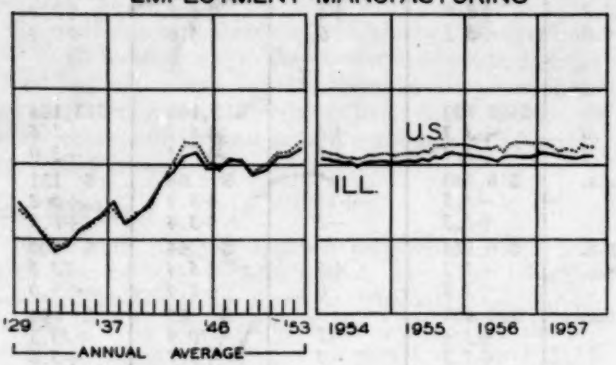
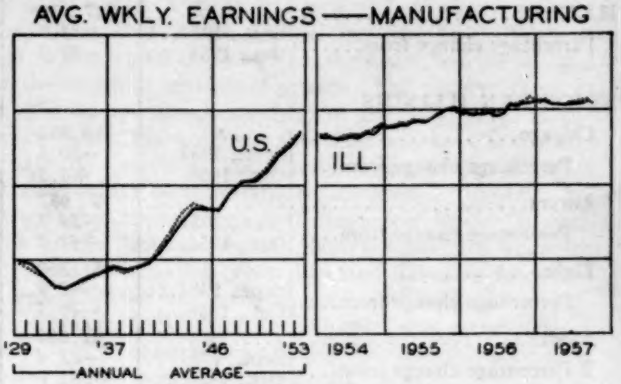
INDEXES OF BUSINESS ACTIVITY

1947-1949 = 100

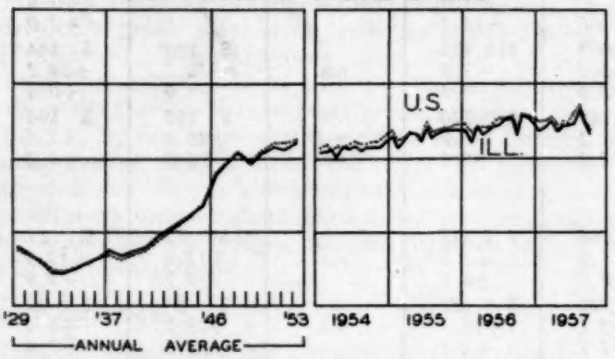
EMPLOYMENT—MANUFACTURING



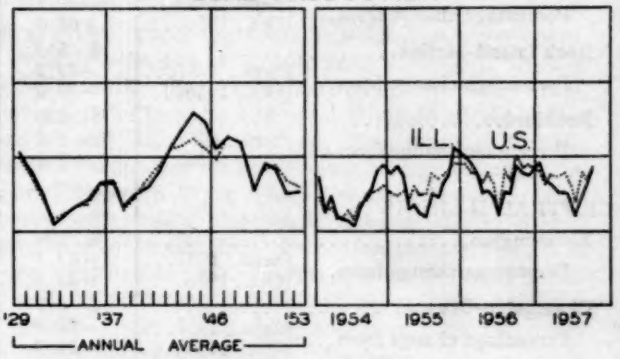
AVG. WKLY. EARNINGS—MANUFACTURING



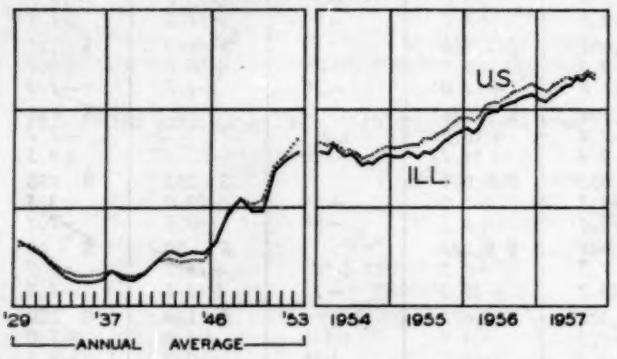
DEPARTMENT STORE SALES



COAL PRODUCTION



BUSINESS LOANS



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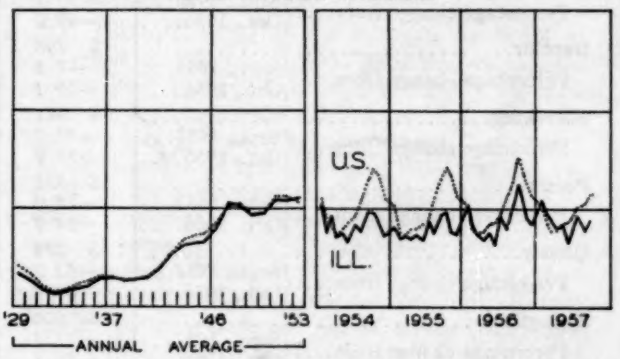
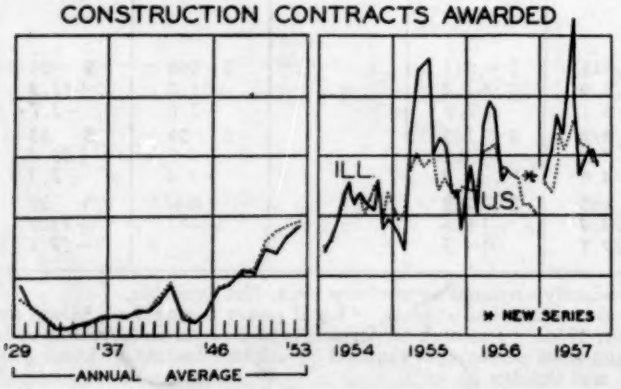
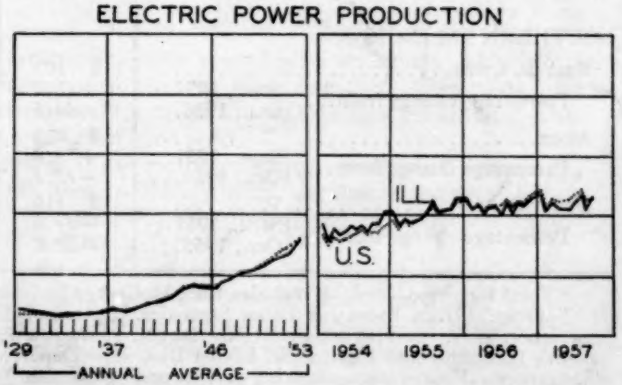


CONSTRUCTION CONTRACTS AWARDED



ELECTRIC POWER PRODUCTION